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2650 AEGON Center  
400 West Market Street  
Louisville, KY 40202

May 22, 2006

RE: Case No. 2006-00142

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/jc  
Enclosure

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE PEAKS MILL WATER )  
DISTRICT FOR (1) A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
CONSTRUCT THE PROPOSED WATERWORKS )  
IMPROVEMENT PROJECT; (2) THE APPROVAL )  
OF THE PROPOSED PLAN TO FINANCE THE )  
WATERWORKS IMPROVEMENT PROJECT; AND )  
(3) THE APPROVAL OF THE PROPOSED )  
INCREASE IN RATES FOR WATER SERVICE )

CASE NO.  
2006-00142

ORDER

On March 31, 2006, Peaks Mill Water District ("Peaks Mill") tendered its application requesting the Commission for a Certificate of Public Convenience and Necessity ("Certificate") to construct improvements to its water facilities, for authority to obtain a \$971,179 loan from the Kentucky Infrastructure Authority ("KIA"), and for authority to increase its water rates. In order to obtain additional information regarding the requested Certificate, the Commission Staff issued its information request on May 9, 2006.

KRS 278.020(6) requires the Commission to render a decision regarding a utility's request to issue securities or to obtain financing within 60 days, unless it is necessary for good cause to continue the application for a longer time. In this proceeding the decision regarding the proposed KIA loan depends upon Peaks Mill's requested Certificate to construct improvements to its water facilities. Since the information regarding the requested Certificate has yet to be obtained, the Commission

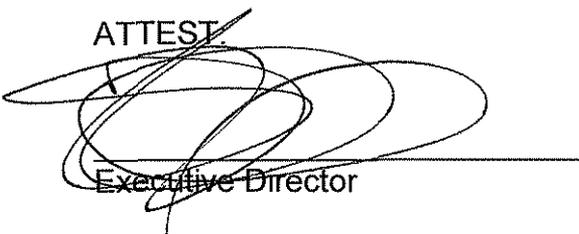
believes that it would be premature to render its decision on the proposed plan of financing. For this reason, the Commission finds that good cause exists to continue the application for approval of financing for a period longer than 60 days.

IT IS THEREFORE ORDERED that Peaks Mill's application for approval of its KIA loan in the amount \$971,179 is continued beyond the 60-day period.

Done at Frankfort, Kentucky, this 22nd day of May, 2006.

By the Commission

ATTEST



Executive Director